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13 SIEMENS MEDICAL SOLUTIONS USA, INC.

14 UNITED STATES DISTRICT COURT  
15 CENTRAL DISTRICT OF CALIFORNIA

16 NEUROGRAFIX, a California  
corporation; WASHINGTON  
17 RESEARCH FOUNDATION, a not-  
for-profit Washington corporation,

18 Plaintiffs,

19 v.

20 SIEMENS MEDICAL SOLUTIONS  
USA, INC., a Delaware corporation;  
and SIEMENS  
21 AKTIENGESELLSCHAFT, a German  
corporation,

Defendants.

22 SIEMENS MEDICAL SOLUTIONS USA,  
INC.,

23 Counterclaim Plaintiff,

24 vs.

25 NEUROGRAFIX, and WASHINGTON  
26 RESEARCH FOUNDATION

27 Counterclaim Defendants.  
28

CASE NO. CV 10-1990 MRP(RZX)

DEFENDANT SIEMENS  
MEDICAL SOLUTIONS USA,  
INC.'S CORRECTED ANSWER,  
AFFIRMATIVE DEFENSES, AND  
COUNTERCLAIMS

JURY TRIAL DEMANDED

The Hon. Mariana R. Pfaelzer  
United States District Court Judge

1  
2  
3 **I. ANSWER TO COMPLAINT**

4 Defendant Siemens Medical Solutions USA, Inc. ("Siemens Medical"), by and  
5 through its undersigned counsel, hereby answers the allegations in the First Amended  
6 Complaint of NeuroGrafix and Washington Research Foundation ("WRF")  
7 (collectively, "Plaintiffs") as follows:

8  
9 **NATURE OF THE ACTION**

10 1. Siemens Medical admits that Plaintiffs' First Amended Complaint alleges  
11 infringement of U.S. Patent No. 5,560,360 (the "'360 patent"), but denies that there  
12 are any factual or legal bases for Plaintiffs' claims. Siemens Medical further admits  
13 that a document that purports to be a copy of the '360 patent was attached as Exhibit  
14 A to the First Amended Complaint. Except as specifically admitted herein, Siemens  
15 Medical denies any remaining allegations in paragraph 1.

16  
17 **SUMMARY OF COMPLAINT**

18 2. Siemens Medical admits that Plaintiffs allege infringement against  
19 Siemens Medical and Siemens Aktiengesellschaft ("Siemens AG"), but denies that  
20 there are any factual or legal bases for Plaintiffs' claims. Siemens Medical lacks  
21 knowledge or information to form a belief as to the truth of the allegation that Aaron  
22 G. Filler is the CEO of NeuroGrafix and therefore denies it. Siemens Medical admits  
23 that the '360 patent was issued and that the '360 patent, on its face, lists Aaron G.  
24 Filler and others as inventors. Except as specifically admitted herein, Siemens  
25 Medical denies the remaining allegations in paragraph 2.

26 3. Siemens Medical denies the allegations in paragraph 3.

27 4. Siemens Medical admits that in or around 2003, Dr. Filler and/or his  
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1 associates contacted Siemens Medical to discuss their purchasing or leasing medical  
2 equipment from Siemens Medical, and that as part of those discussions Siemens  
3 Medical obtained business information from Dr. Filler or a corporate entity with  
4 which he was affiliated for the purpose of evaluating financing options for the  
5 equipment. Siemens Medical, however, lacks knowledge or information to form a  
6 belief as to whether or which of these communications involved NeuroGrafix, and  
7 therefore denies the allegation that "Siemens Medical and Plaintiff NeuroGrafix met."  
8 Siemens Medical admits that, pursuant to those discussions, a "Mutual Non-  
9 Disclosure Agreement" was entered between Siemens Medical and NeuroGrafix for  
10 the limited purposes of Siemens Medical providing technical information about its  
11 medical equipment and NeuroGrafix providing financial and business information so  
12 that Siemens Medical could assess financing options for the equipment. Except as  
13 specifically admitted herein, Siemens Medical denies the remaining allegations in  
14 paragraph 4.

15 5. Siemens Medical admits that it has not entered into a license agreement  
16 with Plaintiffs for the '360 patent. Except as specifically admitted herein, Siemens  
17 Medical denies the remaining allegations in paragraph 5.

18  
19 PARTIES

20 6. Siemens Medical lacks knowledge or information sufficient to form a  
21 belief as to the truth of the allegations in paragraph 6 and therefore denies them.

22 7. Siemens Medical lacks knowledge or information sufficient to form a  
23 belief as to the truth of the allegations in paragraph 7 and therefore denies them.

24 8. Siemens Medical admits that it is a Delaware corporation with a principal  
25 place of business in Malvern, Pennsylvania, and that it conducts business in the State  
26 of California. Siemens Medical further admits that it has offices at 5210 Pacific  
27 Concourse Drive, Los Angeles, California. Except as specifically admitted herein,  
28

1 Siemens Medical denies the remaining allegations in paragraph 8.

2 9. The allegations in paragraph 9 pertain to Siemens AG rather than  
3 Siemens Medical and so do not require a response from Siemens Medical. To the  
4 extent paragraph 9 does require a response from Siemens Medical, Siemens Medical  
5 lacks knowledge or information sufficient to form a belief as to the truth of the  
6 allegations in paragraph 9 and therefore denies them.

#### 7 8 JURISDICTION AND VENUE

9 10. Siemens Medical admits that this is an action alleging patent  
10 infringement and that this Court would have subject matter jurisdiction over a patent  
11 infringement action brought by the owner of the '360 patent. Siemens Medical denies  
12 that NeuroGrafix has constitutional standing to bring a patent infringement claim  
13 under the '360 patent and therefore denies that this Court has subject matter  
14 jurisdiction with respect to an infringement claim brought by Plaintiff NeuroGrafix.  
15 Siemens Medical lacks knowledge or information sufficient to form a belief as to  
16 WRF's constitutional standing to bring a patent infringement claim under the '360  
17 patent and therefore denies that this Court has subject matter jurisdiction with respect  
18 to an infringement claim brought by Plaintiff WRF.

19 11. Subject to the denials regarding constitutional standing of the Plaintiffs in  
20 paragraph 10 above, Siemens Medical admits that venue is proper in this District  
21 under 28 U.S.C. §§ 1391(b) and 1400(b). Siemens Medical admits that Siemens  
22 Medical has offices in this District and that Siemens Medical conducts business within  
23 the State of California. To the extent the allegations in paragraph 11 pertain to  
24 Siemens AG, they do not require a response from Siemens Medical. To the extent the  
25 allegations pertaining to Siemens AG require a response from Siemens Medical,  
26 Siemens Medical lacks knowledge or information sufficient to form a belief as to the  
27  
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1 truth of those allegations and therefore denies them. Except as specifically admitted  
2 herein, Siemens Medical denies the remaining allegations in paragraph 11.

3 12. Siemens Medical admits that Siemens Medical has offices in this District  
4 and that Siemens Medical conducts business within the State of California and that  
5 this Court has personal jurisdiction over Siemens Medical in this case. To the extent  
6 the allegations in paragraph 12 pertain to Siemens AG, they do not require a response  
7 from Siemens Medical. To the extent the allegations pertaining to Siemens AG  
8 require a response from Siemens Medical, Siemens Medical lacks knowledge or  
9 information sufficient to form a belief as to the truth of those allegations and therefore  
10 denies them.

#### 11 12 FACTUAL ALLEGATIONS

13 13. Siemens Medical admits that before the priority date for the '360 patent  
14 "many techniques were already known for locating and viewing the brain, spinal cord,  
15 and spinal roots within the spinal cord," and that "MRI technology provided an  
16 opportunity to view certain structures such as the peripheral nerves." Except as  
17 specifically admitted herein, Siemens Medical denies the remaining allegations in  
18 paragraph 13.

19 14. Siemens Medical denies the allegations in paragraph 14.

20 15. Siemens Medical denies the allegations in paragraph 15.

21 16. Siemens Medical admits that the '360 patent lists March 8, 1993 as the  
22 date on which United States Patent Application No. 08/028,795 was filed with the  
23 United States Patent & Trademark Office ("PTO"). Except as specifically admitted  
24 herein, Siemens Medical denies the remaining allegations in paragraph 16.

25 17. Siemens Medical admits that the '360 patent, entitled "Image  
26 Neurography and Diffusion Anisotropy Imaging," issued on October 1, 1996, but  
27 otherwise denies the allegations in first sentence of paragraph 17. Siemens Medical  
28

1 lacks knowledge or information sufficient to form a belief as to the truth of the  
2 allegations in the second sentence of paragraph 17 and therefore denies them.

3 18. Siemens Medical denies the allegations in paragraph 18. Further, to the  
4 extent Siemens Medical has used the phrases "MR Neurography," "DW  
5 Neurography," and/or "DTI," Siemens Medical disagrees with the meaning ascribed  
6 to them in paragraph 18. Siemens Medical denies the allegation in paragraph 18 that  
7 "the '360 encompasses" or validly claims "MR Neurography," "DW Neurography,"  
8 or "DTI," as Siemens Medical understands, or may have used, those terms and as  
9 those terms are understood and used in the field. As Siemens Medical understands, or  
10 may have used those or similar phrases, and as those and similar phrases are  
11 understood and used in the field, Siemens Medical denies that the '360 patent claims  
12 the use of MR for neurography, diffusion weighted imaging for neurography, or  
13 diffusion tensor imaging, and denies that the individuals listed as inventors on the face  
14 of the '360 patent invented the use of MR for neurography, diffusion weighted  
15 imaging for neurography, or diffusion tensor imaging.

16 19. Siemens Medical lacks knowledge or information sufficient to form a  
17 belief as to the truth of the allegations in paragraph 19 and therefore denies them.

18 20. Siemens Medical denies that "Dr. Filler and his co-inventors developed  
19 the technology claimed in the '360 patent." Siemens Medical lacks knowledge or  
20 information sufficient to form a belief as to the truth of the remaining allegations in  
21 paragraph 20 and therefore denies them.

22 21. Siemens Medical lacks knowledge or information sufficient to form a  
23 belief as to the truth of the allegations in paragraph 21 and therefore denies them.

24 22. Siemens Medical denies the allegation that WRF granted NeuroGrafix all  
25 substantial rights in the '360 patent pursuant to an exclusive license agreement, and  
26 notes that this Court has already held that "NeuroGrafix was not granted 'all  
27 substantial rights' under the '360 patent." (D.I. 47, 6/30/10 Order at 10.) Siemens  
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1 Medical lacks knowledge or information sufficient to form a belief as to the truth of  
2 the remaining allegations in paragraph 22 and therefore denies them.

3 23. To the extent paragraph 23 refers to "MR Neurography," "DW  
4 Neurography," or "DTI," Siemens Medical reiterates that it denies the allegation in  
5 paragraph 18 that "the '360 encompasses" or validly claims "MR Neurography," "DW  
6 Neurography," or "DTI," as Siemens Medical understands, or may have used, those  
7 terms and as those terms are understood and used in the field. Siemens Medical lacks  
8 knowledge or information sufficient to form a belief as to the truth of the remaining  
9 allegations in paragraph 23 and therefore denies them.

10 24. Siemens Medical lacks knowledge or information sufficient to form a  
11 belief as to the truth of the allegations in paragraph 24 and therefore denies them.

12 25. To the extent paragraph 25 refers to "MR Neurography," "DW  
13 Neurography," or "DTI," Siemens Medical reiterates that it denies the allegation in  
14 paragraph 18 that "the '360 encompasses" or validly claims "MR Neurography," "DW  
15 Neurography," or "DTI," as Siemens Medical understands, or may have used, those  
16 terms and as those terms are understood and used in the field. Siemens Medical  
17 admits that in or around 2003, Dr. Filler and/or his associates contacted Siemens  
18 Medical, including Sven Hackmann who was a sales representative, to discuss their  
19 purchasing or leasing medical equipment from Siemens Medical, and that as part of  
20 those discussions Siemens Medical obtained business information from Dr. Filler or a  
21 corporate entity with which he was affiliated for the purpose of evaluating financing  
22 options for the equipment. Siemens Medical admits that, pursuant to those  
23 discussions, a "Mutual Non-Disclosure Agreement" was entered between Siemens  
24 Medical and NeuroGrafix for the limited purposes of Siemens Medical providing  
25 technical information about its medical equipment and NeuroGrafix providing  
26 financial and business information so that Siemens Medical could assess financing  
27 options for the equipment. Siemens Medical admits that in the course of those  
28

1 discussions regarding the purchase or lease of Siemens Medical equipment, Dr. Filler  
2 inquired to Mr. Hackmann whether Siemens Medical would be interested in  
3 collaborating on research with Dr. Filler, and Mr. Hackmann informed Dr. Filler that  
4 sales representatives for Siemens Medical do not discuss research collaboration with  
5 customers, and referred Dr. Filler to Siemens Medical's research and development  
6 group. Siemens Medical denies that Mr. Hackmann "expressed his desire to introduce  
7 NeuroGrafix's innovations to others at Siemens." Except as specifically admitted  
8 herein, Siemens Medical denies the remaining allegations in paragraph 25.

9       26. To the extent paragraph 26 refers to "MR Neurography," "DW  
10 Neurography," or "DTI," Siemens Medical reiterates that it denies the allegation in  
11 paragraph 18 that "the '360 encompasses" or validly claims "MR Neurography," "DW  
12 Neurography," or "DTI," as Siemens Medical understands, or may have used, those  
13 terms and as those terms are understood and used in the field. Siemens Medical  
14 admits that Dr. Filler may have had communications with scientists at Siemens  
15 Medical in or around 2003. Siemens Medical denies the remaining allegations in  
16 paragraph 26.

17       27. To the extent paragraph 27 refers to "MR Neurography," "DW  
18 Neurography," or "DTI," Siemens Medical reiterates that it denies the allegation in  
19 paragraph 18 that "the '360 encompasses" or validly claims "MR Neurography," "DW  
20 Neurography," or "DTI," as Siemens Medical understands, or may have used, those  
21 terms and as those terms are understood and used in the field. Siemens Medical  
22 admits that in or around 2003, Dr. Filler and/or his associates contacted Siemens  
23 Medical to discuss their purchasing or leasing medical equipment from Siemens  
24 Medical, and that subsequent discussions with sales representatives regarding the  
25 purchase or lease of equipment from Siemens Medical included emails, telephone  
26 calls, and at least one face-to-face meeting. Siemens Medical, however, lacks  
27 knowledge or information to form a belief as to whether or which of these  
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1 communications involved NeuroGrafix, and therefore denies the allegation that  
2 Siemens Medical employees “met with NeuroGrafix.” Siemens Medical denies that  
3 as a result of these communications it “became aware of NeuroGrafix’s  
4 commercialization of the ’360 patent.” Siemens Medical admits that, pursuant to  
5 those communications, a “Mutual Non-Disclosure Agreement” was entered between  
6 Siemens Medical and NeuroGrafix for the limited purposes of Siemens Medical  
7 providing technical information about its medical equipment and NeuroGrafix  
8 providing financial and business information so that Siemens Medical could assess  
9 financing options for the equipment. Siemens Medical denies the remaining  
10 allegations in the first, second, and fourth sentences of paragraph 27. Siemens  
11 Medical lacks knowledge or information sufficient to form a belief as to the truth of  
12 the remaining allegations in the third, fifth, and sixth sentences of paragraph 27 and  
13 therefore denies them.

14 28. To the extent paragraph 28 refers to “MR Neurography,” “DW  
15 Neurography,” or “DTI,” Siemens Medical reiterates that it denies the allegation in  
16 paragraph 18 that “the ’360 encompasses” or validly claims “MR Neurography,” “DW  
17 Neurography,” or “DTI,” as Siemens Medical understands, or may have used, those  
18 terms and as those terms are understood and used in the field. Siemens Medical  
19 admits that in or around 2003, Dr. Filler and/or his associates contacted Siemens  
20 Medical to discuss their purchasing or leasing medical equipment from Siemens  
21 Medical, and that as part of those discussions Siemens Medical obtained business  
22 information from Dr. Filler or a corporate entity with which he was affiliated for the  
23 purpose of evaluating financing options for the equipment. Siemens Medical denies  
24 the remaining allegations in paragraph 28.

25 29. To the extent paragraph 29 refers to “MR Neurography,” “DW  
26 Neurography,” or “DTI,” Siemens Medical reiterates that it denies the allegation in  
27 paragraph 18 that “the ’360 encompasses” or validly claims “MR Neurography,” “DW  
28

1 Neurography,” or “DTI,” as Siemens Medical understands, or may have used, those  
2 terms and as those terms are understood and used in the field. Siemens Medical  
3 denies the remaining allegations in paragraph 29.

4 30. To the extent paragraph 30 refers to “MR Neurography,” “DW  
5 Neurography,” or “DTI,” Siemens Medical reiterates that it denies the allegation in  
6 paragraph 18 that “the ’360 encompasses” or validly claims “MR Neurography,” “DW  
7 Neurography,” or “DTI,” as Siemens Medical understands, or may have used, those  
8 terms and as those terms are understood and used in the field. Siemens Medical  
9 denies the remaining allegations in paragraph 30.

10 31. The allegations in paragraph 31 pertain to Siemens AG rather than  
11 Siemens Medical and so do not require a response from Siemens Medical. To the  
12 extent paragraph 31 requires a response from Siemens Medical, Siemens Medical  
13 lacks knowledge or information sufficient to form a belief as to the truth of the  
14 allegations in paragraph 31 and therefore denies them.

15 32. To the extent paragraph 32 refers to “MR Neurography,” “DW  
16 Neurography,” or “DTI,” Siemens Medical reiterates that it denies the allegation in  
17 paragraph 18 that “the ’360 encompasses” or validly claims “MR Neurography,” “DW  
18 Neurography,” or “DTI,” as Siemens Medical understands, or may have used, those  
19 terms and as those terms are understood and used in the field. Siemens Medical  
20 admits that it has agreements with IMRIS and BrainLab and that Siemens Medical  
21 supplies IMRIS and BrainLab with medical equipment. Siemens Medical admits that  
22 it has not entered into a license agreement with Plaintiffs for the ’360 patent, and that  
23 Siemens Medical has not funded NeuroGrafix. Except as specifically admitted herein,  
24 Siemens Medical denies the remaining allegations in paragraph 32.

25 33. To the extent paragraph 33 refers to “MR Neurography,” “DW  
26 Neurography,” or “DTI,” Siemens Medical reiterates that it denies the allegation in  
27 paragraph 18 that “the ’360 encompasses” or validly claims “MR Neurography,” “DW  
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1 Neurography,” or “DTI,” as Siemens Medical understands, or may have used, those  
2 terms and as those terms are understood and used in the field. Siemens Medical  
3 admits that in a 2006 document it stated that “Diffusion tensor imaging (DTI)  
4 represents the next generation of diffusion weighted imaging.” Siemens Medical  
5 admits that in a 2006 document it stated that “Siemens has recognized the need for a  
6 robust DTI package and responded by offering a complete solution,” but denies that  
7 those statements were made about any technology covered by the ’360 patent. Except  
8 as specifically admitted herein, Siemens Medical denies the remaining allegations in  
9 paragraph 33.

10 34. To the extent paragraph 34 refers to “MR Neurography,” “DW  
11 Neurography,” or “DTI,” Siemens Medical reiterates that it denies the allegation in  
12 paragraph 18 that “the ’360 encompasses” or validly claims “MR Neurography,” “DW  
13 Neurography,” or “DTI,” as Siemens Medical understands, or may have used, those  
14 terms and as those terms are understood and used in the field. Siemens Medical  
15 admits that in or around 2007 Siemens Medical was marketing and selling MRI  
16 equipment, and offering a software package referred to as Neuro Suite. Siemens  
17 Medical admits that in documents it has stated that “Diffusion weighted imaging is  
18 possible with up to 16 b-values in the orthogonal directions as well as multiple  
19 direction diffusion weighting in 6 or 12 directions to generate data sets for diffusion  
20 tensor imaging,” but denies that those statements were made about any technology  
21 covered by the ’360 patent. Except as specifically admitted herein, Siemens Medical  
22 denies the remaining allegations in paragraph 34.

23 35. To the extent paragraph 35 refers to “MR Neurography,” “DW  
24 Neurography,” or “DTI,” Siemens Medical reiterates that it denies the allegation in  
25 paragraph 18 that “the ’360 encompasses” or validly claims “MR Neurography,” “DW  
26 Neurography,” or “DTI,” as Siemens Medical understands, or may have used, those  
27 terms and as those terms are understood and used in the field. Siemens Medical  
28

1 admits that in or around 2009 it was selling and marketing medical equipment for MR  
2 imaging, including syngo DTI Tractography. Siemens Medical admits that it provides  
3 instructions for use of its products. Except as specifically admitted herein, Siemens  
4 Medical denies the remaining allegations in paragraph 35.

5 36. To the extent paragraph 36 refers to "MR Neurography," "DW  
6 Neurography," or "DTI," Siemens Medical reiterates that it denies the allegation in  
7 paragraph 18 that "the '360 encompasses" or validly claims "MR Neurography," "DW  
8 Neurography," or "DTI," as Siemens Medical understands, or may have used, those  
9 terms and as those terms are understood and used in the field. Siemens Medical  
10 denies the allegations in paragraph 36.

11 37. To the extent paragraph 37 refers to "MR Neurography," "DW  
12 Neurography," or "DTI," Siemens Medical reiterates that it denies the allegation in  
13 paragraph 18 that "the '360 encompasses" or validly claims "MR Neurography," "DW  
14 Neurography," or "DTI," as Siemens Medical understands, or may have used, those  
15 terms and as those terms are understood and used in the field. Siemens Medical  
16 denies the allegations in paragraph 37.

17 38. To the extent paragraph 38 refers to "MR Neurography," "DW  
18 Neurography," or "DTI," Siemens Medical reiterates that it denies the allegation in  
19 paragraph 18 that "the '360 encompasses" or validly claims "MR Neurography," "DW  
20 Neurography," or "DTI," as Siemens Medical understands, or may have used, those  
21 terms and as those terms are understood and used in the field. Siemens Medical  
22 admits that Exhibit B to the First Amended Complaint is a copy of materials that have  
23 been available on Siemens Medical's website. Siemens Medical admits that it  
24 distributes advertising and promotion materials, including Magnetom Flash magazine.  
25 To the extent the allegations in paragraph 38 pertain to Siemens AG, they do not  
26 require a response from Siemens Medical. To the extent the allegations pertaining to  
27 Siemens AG do require a response from Siemens Medical, Siemens Medical lacks

1 knowledge or information sufficient to form a belief as to the truth of the allegations  
2 pertaining to Siemens AG in paragraph 38 and therefore denies them. Except as  
3 specifically admitted herein, Siemens Medical denies the remaining allegations in  
4 paragraph 38.

5 39. To the extent paragraph 39 refers to "MR Neurography," "DW  
6 Neurography," or "DTI," Siemens Medical reiterates that it denies the allegation in  
7 paragraph 18 that "the '360 encompasses" or validly claims "MR Neurography," "DW  
8 Neurography," or "DTI," as Siemens Medical understands, or may have used, those  
9 terms and as those terms are understood and used in the field. Siemens Medical  
10 admits that it has distributed Magnetom Flash magazine at RSNA meetings. Except  
11 as specifically admitted herein, Siemens Medical denies the remaining allegations in  
12 paragraph 39.

13 40. To the extent paragraph 40 refers to "MR Neurography," "DW  
14 Neurography," or "DTI," Siemens Medical reiterates that it denies the allegation in  
15 paragraph 18 that "the '360 encompasses" or validly claims "MR Neurography," "DW  
16 Neurography," or "DTI," as Siemens Medical understands, or may have used, those  
17 terms and as those terms are understood and used in the field. Siemens Medical  
18 denies the allegations in the first and fifth sentences of paragraph 40 of the Complaint.  
19 Siemens Medical lacks knowledge or information sufficient to form a belief as to the  
20 truth of the allegations in the second, third, and fourth sentences of paragraph 40 and  
21 therefore denies them.

22 41. To the extent paragraph 41 refers to "MR Neurography," "DW  
23 Neurography," or "DTI," Siemens Medical reiterates that it denies the allegation in  
24 paragraph 18 that "the '360 encompasses" or validly claims "MR Neurography," "DW  
25 Neurography," or "DTI," as Siemens Medical understands, or may have used, those  
26 terms and as those terms are understood and used in the field. Siemens Medical lacks  
27 knowledge or information sufficient to form a belief as to the truth of the remaining  
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1 allegations in paragraph 41 and therefore denies them.

2 42. To the extent paragraph 42 refers to "MR Neurography," "DW  
3 Neurography," or "DTI," Siemens Medical reiterates that it denies the allegation in  
4 paragraph 18 that "the '360 encompasses" or validly claims "MR Neurography," "DW  
5 Neurography," or "DTI," as Siemens Medical understands, or may have used, those  
6 terms and as those terms are understood and used in the field. Siemens Medical  
7 admits that it supplies applications referred to as Neuro Suite, syngo DTI  
8 Tractography, syngo DTI Evaluation, Inline Diffusion, and syngo DTI. Siemens  
9 Medical admits that its equipment has machine settings and protocols. Except as  
10 specifically admitted herein, Siemens Medical denies the remaining allegations in  
11 paragraph 42.

12 43. Siemens Medical admits that it has provided IMRIS and/or others with  
13 MRI scanners. Siemens Medical admits that it has provided to third parties MRI  
14 scanners incorporating the following systems: the V-Engine, Quantum, TQ-Engine, or  
15 VQ-Engine systems. Siemens Medical admits that its equipment and gradients have  
16 undergone technological progression from 2000 to the present. Siemens Medical  
17 denies the remaining allegations in paragraph 43.

18 44. To the extent paragraph 44 refers to "MR Neurography," "DW  
19 Neurography," or "DTI," Siemens Medical reiterates that it denies the allegation in  
20 paragraph 18 that "the '360 encompasses" or validly claims "MR Neurography," "DW  
21 Neurography," or "DTI," as Siemens Medical understands, or may have used, those  
22 terms and as those terms are understood and used in the field. Siemens Medical  
23 denies the allegations in paragraph 44.

24 45. Siemens Medical admits that in 2008 Cedars-Sinai indicated to Dr. Filler  
25 that he should address correspondence regarding the '360 patent to Siemens Medical  
26 or Siemens AG. Siemens Medical lacks knowledge or information sufficient to form  
27 a belief as to the truth of the remaining allegations in paragraph 45 and therefore  
28



1 denies them.

2 46. Siemens Medical admits that in or around November 2008 Dr. Filler  
3 contacted Siemens AG to ask if Siemens was interested in an exclusive or a non-  
4 exclusive license to the '360 patent. Siemens Medical denies the remaining  
5 allegations in paragraph 46 of the Complaint.

6 47. To the extent paragraph 47 refers to "MR Neurography," "DW  
7 Neurography," or "DTI," Siemens Medical reiterates that it denies the allegation in  
8 paragraph 18 that "the '360 encompasses" or validly claims "MR Neurography," "DW  
9 Neurography," or "DTI," as Siemens Medical understands, or may have used, those  
10 terms and as those terms are understood and used in the field. Siemens Medical  
11 admits that Dr. Filler was informed that Siemens Medical's products did not require a  
12 license to any valid claim of the '360 patent. Siemens Medical denies the remaining  
13 allegations in paragraph 47.

14 48. Siemens Medical denies the allegations in paragraph 48.

15 49. To the extent paragraph 49 refers to "MR Neurography," "DW  
16 Neurography," or "DTI," Siemens Medical reiterates that it denies the allegation in  
17 paragraph 18 that "the '360 encompasses" or validly claims "MR Neurography," "DW  
18 Neurography," or "DTI," as Siemens Medical understands, or may have used, those  
19 terms and as those terms are understood and used in the field. Siemens Medical  
20 denies the allegations in paragraph 49 of the Complaint.

21 50. Siemens Medical denies the allegations in paragraph 50 of the  
22 Complaint.

23  
24 COUNT I – INFRINGEMENT OF THE '360 PATENT

25 51. Siemens Medical incorporates its responses to paragraphs 1 through 50  
26 herein by reference.

27 52. Siemens Medical admits that the Complaint purports to set forth a claim  
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1 under the patent laws of the United States, 35 U.S.C. §§ 271 *et seq.*, but denies that  
2 there are any factual or legal bases for Plaintiffs' claims.

3 53. Siemens Medical admits that the '360 patent, entitled "Image  
4 Neurography and Diffusion Anisotropy Imaging," was issued on October 1, 1996.  
5 Siemens Medical denies the remaining allegations in paragraph 53 of the Complaint.

6 54. Siemens Medical lacks knowledge or information sufficient to form a  
7 belief as to the truth of the allegations in paragraph 54 and therefore denies them.

8 55. Siemens Medical lacks knowledge or information sufficient to form a  
9 belief as to the truth of the allegations in paragraph 55 and therefore denies them.

10 56. Siemens Medical denies the allegations in paragraph 56 of the  
11 Complaint. Siemens Medical further notes that this Court has already held that  
12 "NeuroGrafix was not granted 'all substantial rights' under the '360 patent." (D.I. 47,  
13 6/30/10 Order at 10.)

14 57. To the extent paragraph 57 refers to "MR Neurography," "DW  
15 Neurography," or "DTI," Siemens Medical reiterates that it denies the allegation in  
16 paragraph 18 that "the '360 encompasses" or validly claims "MR Neurography," "DW  
17 Neurography," or "DTI," as Siemens Medical understands, or may have used, those  
18 terms and as those terms are understood and used in the field. Siemens Medical  
19 denies the allegations in paragraph 57 of the Complaint.

20 58. Siemens Medical denies the allegations in paragraph 58 of the  
21 Complaint.

22 59. Siemens Medical denies the allegations in paragraph 59 of the  
23 Complaint.

24 60. Siemens Medical denies that Plaintiffs are entitled to any relief  
25 whatsoever in this action, either as prayed for in the First Amended Complaint or  
26 otherwise.

27 61. To the extent the section headings in the First Amended Complaint are  
28

1 intended to contain any allegations, Siemens Medical specifically denies each and  
2 every allegation in the section headings. Siemens Medical further denies each and  
3 every allegation in the First Amended Complaint to which Siemens Medical has not  
4 specifically admitted.

## 5 **II. AFFIRMATIVE AND OTHER DEFENSES**

6 Siemens Medical alleges and asserts the following defenses in response to the  
7 allegations in the First Amended Complaint, undertaking the burden of proof only as  
8 to those defenses deemed affirmative defenses by law, regardless of how such  
9 defenses are denominated herein:

### 10 **FIRST DEFENSE**

11 62. The First Amended Complaint fails to state a claim upon which relief can  
12 be granted, including but not limited to its failure to state a claim that Siemens  
13 Medical purportedly jointly infringes the '360 patent by directing or controlling the  
14 actions of other parties.

### 15 **SECOND DEFENSE**

16 63. Siemens Medical does not infringe, has not infringed, directly, indirectly,  
17 willfully, or otherwise, and does not and has not induced infringement or contributed  
18 to infringement of the '360 patent under any theory, including literal infringement or  
19 infringement under the doctrine of equivalents.

### 20 **THIRD DEFENSE**

21 64. The claims of the '360 patent are invalid for failing to comply with one  
22 or more of the conditions for patentability as set forth in Title 35 of the United States  
23 Code, including without limitation, 35 U.S.C. §§ 101, 102, 103, and/or 112.

### 24 **FOURTH DEFENSE**

25 65. By reason of statements and claim amendments made by or on behalf of  
26 the applicants during the prosecution of the applications that led to the issuance of the  
27 '360 patent, Plaintiffs are estopped from asserting a scope for the claims of the '360  
28

1 patent that would cover Siemens Medical's allegedly infringing activity.

2 **FIFTH DEFENSE**

3 66. Plaintiffs' suit is barred or its claim for recovery is limited under the  
4 doctrines of waiver, acquiescence, estoppel, implied license, and/or unclean hands.

5 **SIXTH DEFENSE**

6 67. Plaintiffs' claims are barred in whole or in part by the doctrine of laches.

7 **SEVENTH DEFENSE**

8 68. Plaintiffs' suit is barred or its claim for recovery is limited by license  
9 and/or patent exhaustion.

10 **EIGHTH DEFENSE**

11 69. Plaintiffs' claim for recovery is barred in whole or in part by 35 U.S.C.  
12 §§ 286 and/or 287.

13 **NINTH DEFENSE**

14 70. Plaintiffs' claims are barred by 28 U.S.C. § 1498 to the extent they relate  
15 to use or manufacture of the inventions of the '360 patent by or for the United States.

16 **TENTH DEFENSE**

17 71. Plaintiffs are not entitled to injunctive relief because any alleged injury is  
18 not immediate or irreparable, and Plaintiffs have an adequate remedy at law.

19 **ELEVENTH DEFENSE**

20 72. Siemens Medical reserves the right to assert any additional defenses as  
21 they become known during the course of this action or to the extent they are not  
22 otherwise deemed affirmative defenses by law.

23 **TWELFTH DEFENSE**

24 73. Plaintiffs do not have standing to sue for infringement of the '360 patent.

25 **III. COUNTERCLAIMS**

26 Siemens Medical, for its counterclaims against plaintiffs and counterclaim  
27 defendants NeuroGrafix and WRF (collectively, "Plaintiffs"), alleges as follows:

## JURISDICTION AND VENUE

74. This is a civil action for a declaration of non-infringement, invalidity, and unenforceability of the patents-in-suit arising under the Declaratory Judgment Act, 28 U.S.C. § 2201, *et seq.*, and the Patent Laws of the United States, 35 U.S.C. § 1, *et seq.*

75. Siemens Medical denies that Plaintiffs have standing to bring this suit and therefore denies that this Court has subject matter jurisdiction. To the extent the Plaintiffs are found to have standing to bring this suit, this Court has subject matter jurisdiction over these counterclaims pursuant to the Declaratory Judgment Act, 28 U.S.C. §§ 2201-2202, and 28 U.S.C. §§ 1331 and 1338(a).

76. Plaintiffs have submitted to personal jurisdiction in this Court. This Court also has personal jurisdiction over Plaintiffs by virtue of the business activities they conduct within California and within this District. This Court also has personal jurisdiction over Plaintiff NeuroGrafix because they are located in this District.

77. Venue is proper in this judicial district pursuant to 28 U.S.C. §§ 1391(b) and (c), and 28 U.S.C. § 1400(b), and because Plaintiffs filed their Complaint in this district.

## THE PARTIES

78. Defendant and counterclaim plaintiff Siemens Medical is a corporation organized and existing under the laws of the State of Delaware, with a principal place of business in Malvern, Pennsylvania.

79. Upon information and belief, plaintiff and counter-claim defendant NeuroGrafix is a California corporation with its principal place of business in Santa Monica, California.

80. Upon information and belief, plaintiff and counter-claim defendant WRF is a not-for-profit corporation incorporated and existing under the laws of the State of Washington.

**COUNTERCLAIM I**  
**DECLARATORY JUDGMENT OF NON-INFRINGEMENT**

81. Siemens Medical incorporates by reference and realleges the allegations in paragraphs 74 through 80 above, as though fully set forth herein.

82. Plaintiffs filed their First Amended Complaint in this Court alleging that Siemens Medical infringes the '360 patent and that Plaintiffs have standing to bring a suit alleging infringement of the '360 patent.

83. Because Plaintiffs have sued Siemens Medical in the present action alleging infringement of the '360 patent, an immediate, real and justiciable controversy exists between Siemens Medical and Plaintiffs with respect to the alleged infringement of the '360 patent.

84. Siemens Medical does not infringe, has not infringed, directly, indirectly, willfully or otherwise, and does not and has not induced infringement or contributed to infringement of the '360 patent under any theory, including literal infringement or infringement under the doctrine of equivalents.

85. No claim of the '360 patent can validly be construed to cover any product made, used, sold, offered for sale, or imported by Siemens Medical.

86. In addition, Siemens Medical has defenses that preclude a finding of infringement, in whole or in part, including those listed in paragraphs 62-73.

87. Siemens Medical requests declaratory judgment that Siemens Medical does not infringe, directly or indirectly, any claim of the '360 patent.

**COUNTERCLAIM II**  
**DECLARATORY JUDGMENT OF INVALIDITY**

88. Siemens Medical incorporates by reference and realleges the allegations in paragraphs 74 through 80 above, as though fully set forth herein.

89. An immediate, real and justiciable controversy exists between Siemens Medical and Plaintiffs with respect to the invalidity of the '360 patent.



1           90. Upon information and belief, discovery is likely to show that the claims  
2 of the '360 patent are invalid for failing to comply with one or more of the conditions  
3 for patentability as set forth in Title 35 of the United States Code, including without  
4 limitation, 35 U.S.C. §§ 101, 102, 103, and/or 112.

5           91. Siemens Medical requests declaratory judgment that all claims of the  
6 '360 patent are invalid.

7  
8                                   **COUNTERCLAIM III**  
9                                   **DECLARATORY JUDGMENT OF UNENFORCEABILITY**

10           92. Siemens Medical incorporates by reference and realleges the allegations  
11 in paragraphs 74 through 80 above, as though fully set forth herein.

12           93. An immediate, real and justiciable controversy exists between Siemens  
13 Medical and Plaintiffs with respect to the unenforceability of the '360 patent.

14           94. Upon information and belief, discovery is likely to show that the '360  
15 patent is unenforceable against Siemens Medical in whole or in part under the  
16 doctrines of waiver, acquiescence, estoppel, implied license, unclean hands, laches,  
17 release, and/or Plaintiffs' failure to comply with 35 U.S.C. § 287.

18           95. Siemens Medical requests declaratory judgment that the claims of the  
19 '360 patent are unenforceable against Siemens Medical and that Plaintiffs are entitled  
20 to no recovery or relief in this case.

21                                   **PRAYER FOR RELIEF**

22           WHEREFORE, Siemens Medical prays for judgment in its favor and against  
23 Plaintiffs and that Siemens Medical be granted the following relief:

- 24           A. Dismissal with prejudice of Plaintiffs' Complaint in its entirety;  
25           B. Denial of all remedies and relief sought by Plaintiffs in their Complaint;  
26           C. Declaring that Siemens Medical does not infringe and has not infringed,  
27 willfully or otherwise, any claim of the '360 patent, either directly or indirectly, or  
28 literally or under the doctrine of equivalents;

1 D. Declaring that the claims of the '360 patent are invalid for failing to  
2 comply with one or more of the conditions for patentability as set forth in Title 35 of  
3 the United States Code, including without limitation, 35 U.S.C. §§ 101, 102, 103,  
4 and/or 112;

5 E. Declaring that the '360 patent is unenforceable against Siemens Medical  
6 in whole or in part under the doctrines of waiver, acquiescence, estoppel, implied  
7 license, unclean hands, laches, release, and/or Plaintiffs' failure to comply with 35  
8 U.S.C. § 287;

9 F. Declaring that Siemens Medical is a prevailing party under Federal Rule  
10 of Civil Procedure 54(d)(1) and awarding costs.

11 G. Declaring that this is an exceptional case pursuant to 35 U.S.C. § 285 and  
12 awarding Siemens Medical its costs, expenses, and disbursements in this action,  
13 including reasonable attorneys fees; and

14 H. Awarding Siemens Medical such other and further relief as the Court  
15 deems just and proper.

16 **DEMAND FOR JURY TRIAL**

17 Siemens Medical hereby demands a jury trial on all the issues so triable.  
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1  
2 DATED: September 2, 2010

By: /s/ Sean M. McEldowney  
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11  
12  
13  
14 Attorneys for Defendant  
SIEMENS MEDICAL SOLUTIONS USA, INC.

**PROOF OF SERVICE**

I, Sean M. McEldowney, am employed in the District of Columbia. I am over the age of 18 and not a party to the within action; my business address is 655 15th St., N.W., Washington, D.C. 20005.

On September 2, 2010, I served copy of the following document(s) described as:

**DEFENDANT SIEMENS MEDICAL SOLUTIONS USA, INC.'S  
CORRECTED ANSWER, AFFIRMATIVE DEFENSES, AND  
COUNTERCLAIMS**

on the interested parties in this action as follows:

☐ **By Facsimile**

By transmitting via facsimile, the document(s) listed above to the fax number set forth below on this date before 5:00 p.m. I am aware that service is presumed invalid unless the transmission machine properly issues a transmission report stating the transmission is complete and without error.

☐ **By U.S. Mail**

By placing the document(s) listed above in a sealed envelope with postage thereon fully prepaid, in the United States mail at Los Angeles, California, to the addressee(s) set forth below.

I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice, it would be deposited with the U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing.

☒ **By Overnight Mail**

By causing the document(s) listed above to be delivered to the addressee(s) set forth below on the following business morning by Federal Express Corporation or Express Mail.

☐ **By Personal or Messenger Service**

By causing the document(s) listed above to be personally served in such envelope by hand to the person at the address(s) set forth below:

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19  
20 I declare under penalty of perjury that the foregoing is true and correct.

21 Executed on September 2, 2010, at Washington, D.C.

22 Sean M. McEldowney

23 /s/ Sean M. McEldowney  
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25  
26  
27  
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